

A RESOLUTION BY

TRANSPORTATION COMMITTEE

05- R -0695

A RESOLUTION AUTHORIZING THE MAYOR OR HER DESIGNEE TO EXECUTE AN APPROPRIATE MANAGEMENT AGREEMENT WITH ALLIED AVIATION SERVICES, INC., AS ITS GEORGIA SUBSIDIARY TO BE ESTABLISHED FOR THE MANAGEMENT OF THE FUEL STORAGE FACILITY AT HARTSFIELD-JACKSON ATLANTA INTERNATIONAL AIRPORT PURSUANT TO REQUEST FOR PROPOSAL FC-7468-02.

WHEREAS, the City of Atlanta (the "City") as owner and operator of Hartsfield-Jackson Atlanta International Airport has a Fuel Storage Facility located on the north side of the Airport formerly owned by Eastern Airlines; and

WHEREAS, the City previously issued a Request for Proposal identified as FC-7468-02, Fuel Storage Facility, seeking qualified firms to manage the facility on behalf of the Department of Aviation; and

WHEREAS, proposals were received from three firms, which were evaluated by a panel of officials from the Departments of Aviation, Finance, Law, Contract Compliance and the Department of Procurement, who determined and recommended that the management agreement for FC-7468-02, Fuel Storage Facility, be awarded to the most responsive and responsible proponent, Allied Aviation Services, Inc. ("Allied") which will operate under a Georgia subsidiary to be established, for a term of five (5) years; and

WHEREAS, an agreement has been negotiated with the said proponent as required by applicable City Ordinances on the terms and conditions hereinafter set forth; and

WHEREAS, the management cost for Allied services will be allocated and billed to the member airlines based on the percentage of total gallons dispensed.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF ATLANTA, GEORGIA, that the Mayor be and is hereby authorized to execute an appropriate management agreement with Allied Aviation Services, Inc. and/or its subsidiary, on behalf of the Department of Aviation, which shall contain substantially the following terms and conditions:

- (a) The Scope of Services defined in the specifications contained in the Request For Proposals for Contract FC-7468-02.
- (b) The agreement shall be for a term of five (5) years with the right of the City to terminate the agreement upon ninety (90) days written notice of its election to do so and by specifying the effective date of the termination.
- (c) Allied shall not assign or transfer the Agreement without the prior written consent of the City. For the first year of the term, the management fee, maintenance and operations cost and expenses, in a total amount not to exceed \$1,591,272 shall be allocated and billed 100% to the member airlines based on the percentage of total gallons of dispensed fuel. Throughout the remaining term of the agreement, Allied shall submit an annual budget for approval, which includes an annual Management fee of \$60,000.

- (d) And including such other terms and conditions as are required by City Ordinances or Federal Regulations or as are customarily included in agreements of a similar nature at the Airport

BE IT FURTHER RESOLVED, that the Chief Procurement Officer is hereby directed to prepare an appropriate management agreement for execution by the Mayor, to be approved by the City Attorney as to form.

BE IT FINALLY RESOLVED, that this agreement shall not become binding on the City and the City shall incur no liability upon same until such agreement has been executed by the Mayor and delivered to the contracting parties.

Legislative White Paper

Committee of Purview: Transportation

Caption

A Resolution authorizing the Mayor to execute a Management Agreement with Allied Aviation Services, Inc., as a Georgia subsidiary to be established for management of the Fuel Storage Facility at Hartsfield-Jackson Atlanta International Airport, pursuant to Request for Proposal FC-7468-02.

Council Meeting Date: 5/02/05

Legislation Title: Management Agreement for Fuel Storage Facility at Hartsfield-Jackson Atlanta International Airport

Requesting Dept.: Department of Aviation

Contract Type: Management Agreement

Source Selection: Competitive Sealed Proposals/Negotiations

Bids/Proposals Due: March 24, 2004

Invitations Issued: January 18, 2004

**Number of Bids/
Proposals Received:** Three (3) Bids

Bidders/Proponents: Allied Aviation, Services; Aircraft Service International, Inc; and Airport Group International, Inc.

Justification Statement: Allied Aviation Services, Inc., acting as a Georgia subsidiary to be established, will provide Management Services for the Fuel Storage Facility at Hartsfield-Jackson Atlanta International Airport. The term of the agreement will be five (5) years and may be terminated by the City upon written ninety (90) days written notice. Allied Aviation Services, Inc. will provide an unlimited corporate guaranty in order to ensure the contractor's ability to meet any liability and indemnification responsibilities to the City under the management agreement.

Background: The proposed contractor was selected by the City of Atlanta after receiving bids in response to the City's Request for Proposal FC-7468-02 regarding the Management of the Fuel Storage Facility at Hartsfield-Jackson Atlanta International Airport.

The Fuel Storage Facility, which was originally installed in 1980, is located on the north side of the Airport and was formerly operated by Eastern Airlines. Airport Group International (AGI) assumed responsibility under an agreement with the City of Atlanta, which has now expired requiring that a new procurement process be initiated.

Allied, the successful proponent, will manage the operation of the Fuel Storage Facility; will develop Standard Operating Procedures for the Facility and will staff the Fuel Storage Facility with a General Manager, an Accounting Clerk, Supervisor, (3) Tank Farm Leads and (6) Tank Farm Mechanics. The Fuel Storage Facility operates 24 hours, 7 days per week.

Fund Account Center: N/A – The airlines will pay for these services directly. The solicitation has been done by the City of Atlanta because the Fuel Farm is a part of the Hartsfield-Jackson Atlanta International Airport thereby, it is City property.

Source of Funds: N/A

Fiscal Impact:

Term of Contract: Five (5) Years

Method of Cost Recovery: Cost neutral. For the first year of the term, the management fee, maintenance and operations cost and expenses, in a total amount not to exceed \$1,591,272, shall be allocated and billed 100% to the member airlines based on the percentage of total gallons of dispensed fuel. Throughout the remaining term of the agreement, Allied shall submit an annual budget for approval, which includes an annual management fee of \$60,000.

Approvals:
DOF: Yes
DOL: Yes

Prepared By: Donald Willis

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